



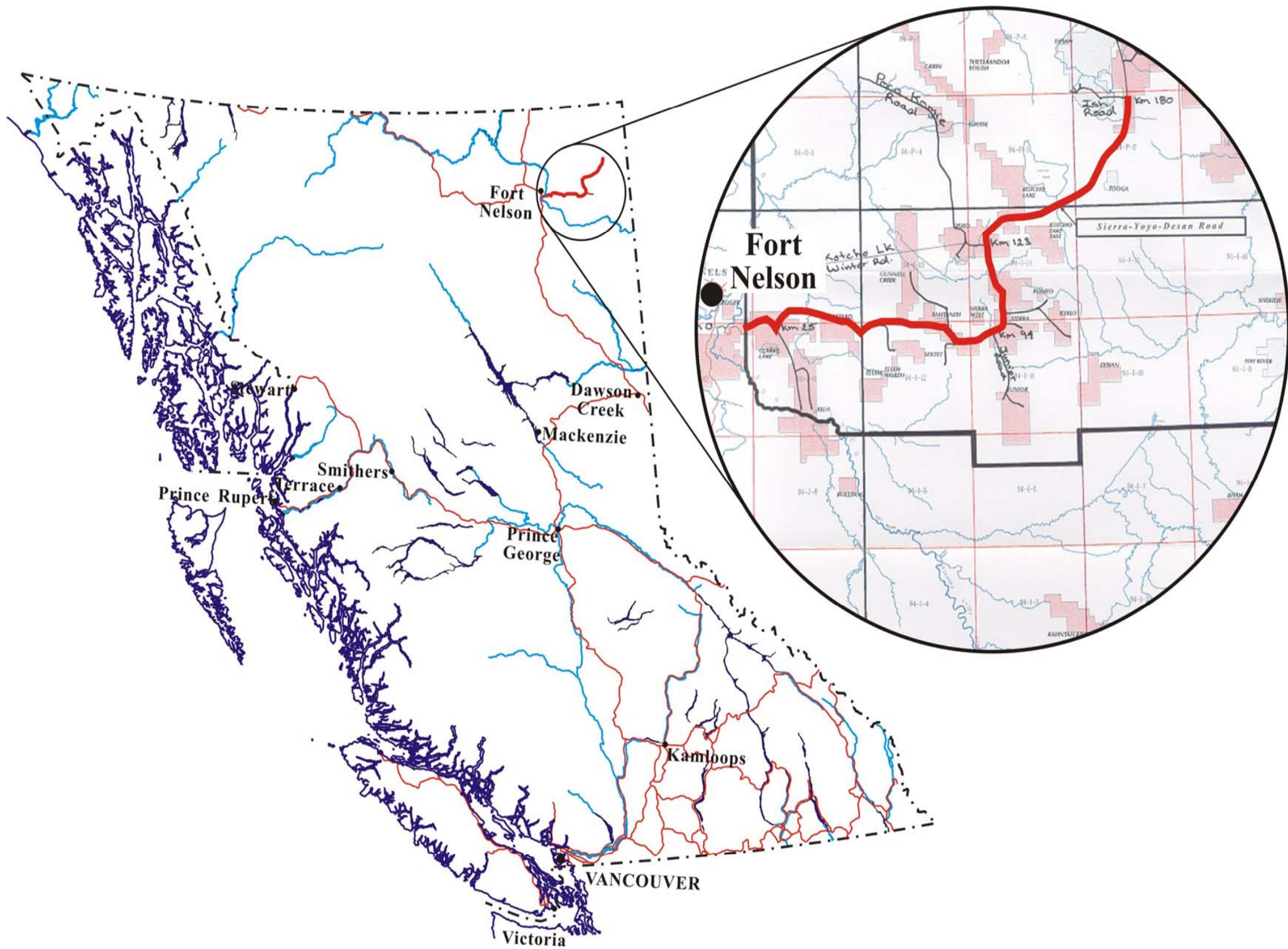
# Ministry of Energy, Mines and Petroleum Resources

## Sierra Yoyo Desan Road – P3 Partnership

Advantage North: Resource Development and  
Northern Transportation Conference,  
May 28-30, 2007, Whitehorse, YK

Doug Caul, Assistant Deputy Minister  
Oil & Gas Division, B.C. MEMPR







## Sierra Yoyo Desan (SYD) Road - P3 Outline of Presentation

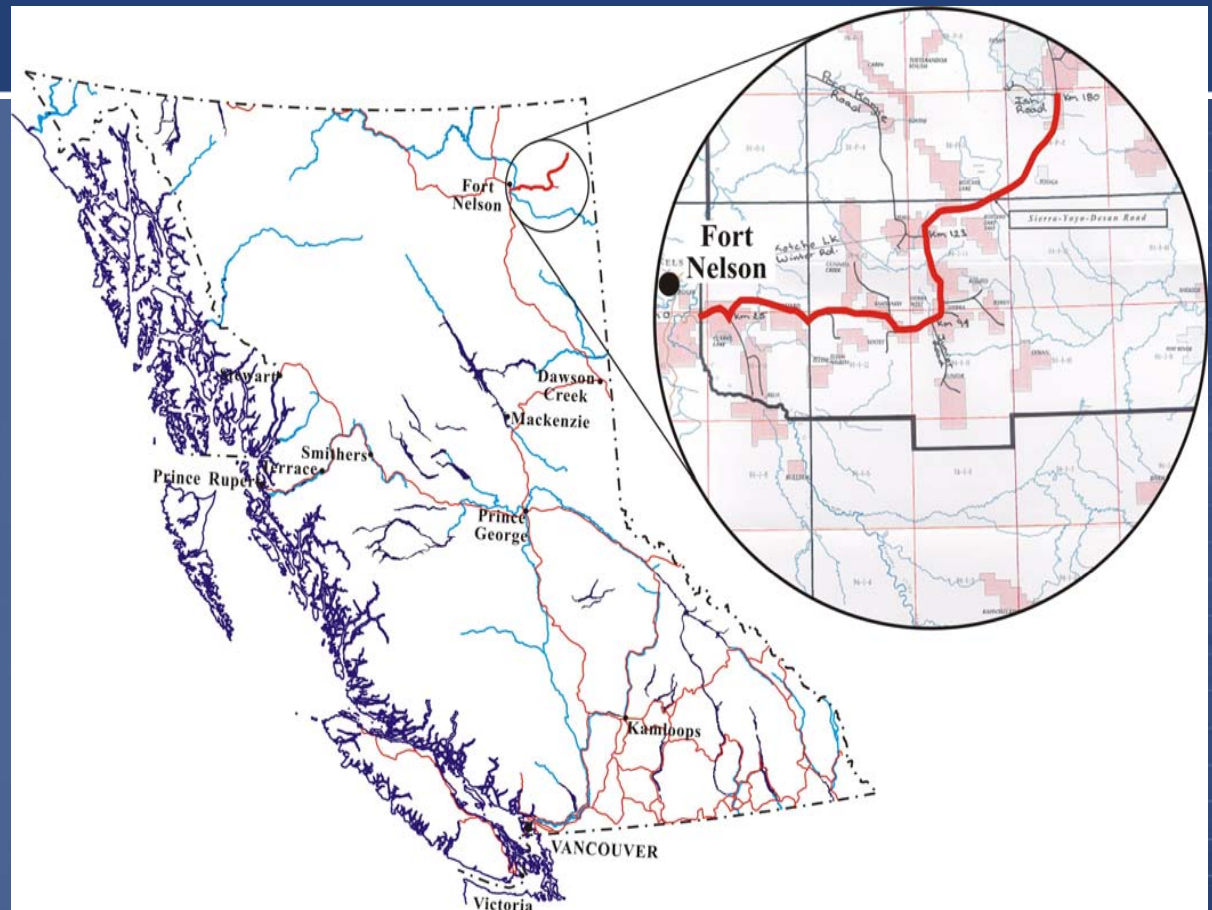
- **History, a Road Constraining Development**
- **Dialogue with Industry and Community on what was needed, options to get there**
- **Competitive Bid Process, Agreements Reached**
- **P3 Solution: Upgrade and Maintenance of SYD**
- **Outcomes**





# Sierra Yoyo Desan (SYD) Road Prior to Improvements in 2004

- 188 KM Oil and Gas Trunk Road located Northeast of Fort Nelson
- Previously a series of interconnected petroleum and forestry roads
- Access and quality of roads was very uneven
- Challenging soils and terrain with considerable muskeg
- Unreliable access



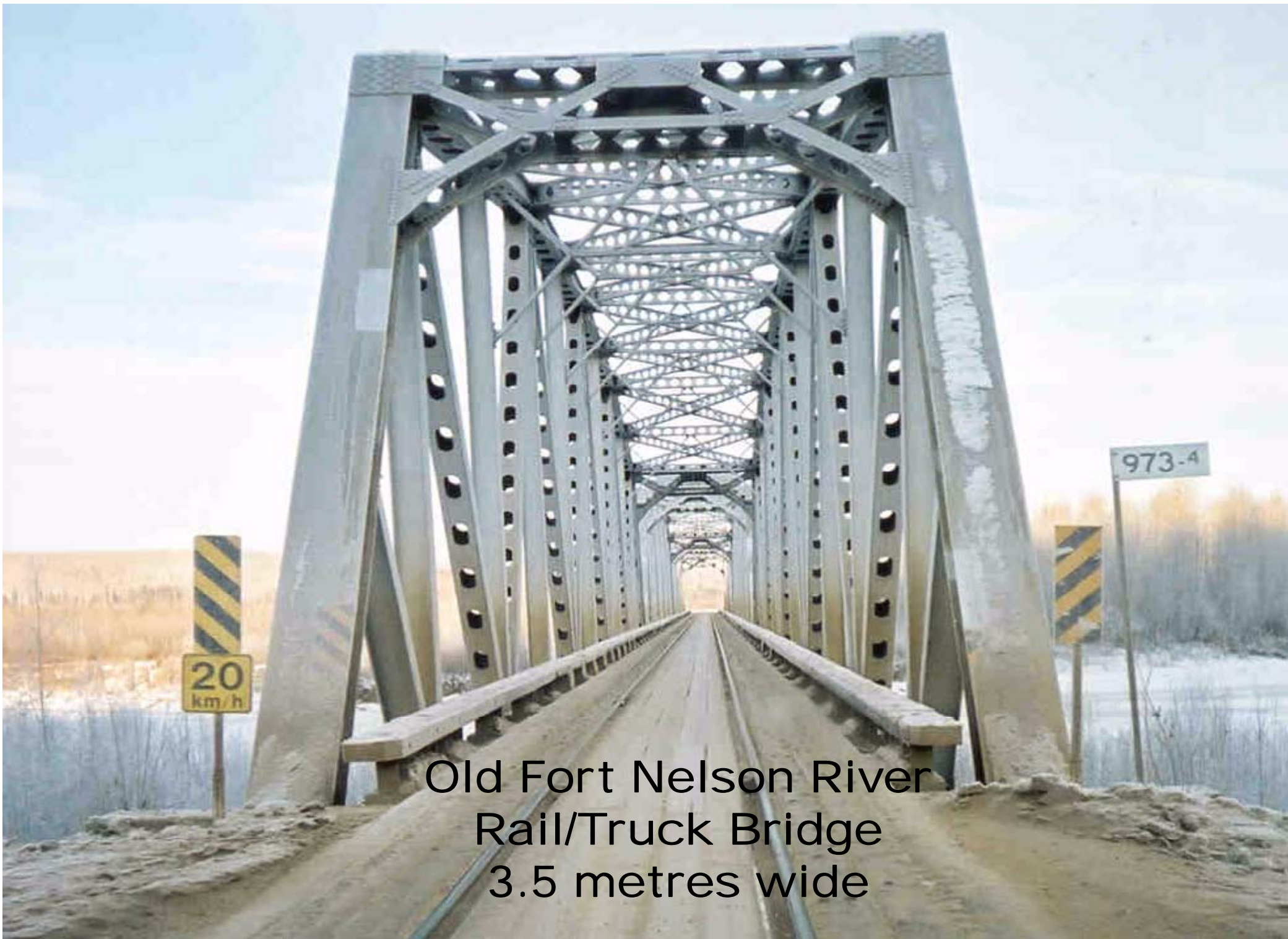


**Prior to Improvements – Fort Nelson Ice Bridge  
Winter Access Only**



**2004 03 11**





Old Fort Nelson River  
Rail/Truck Bridge  
3.5 metres wide









## Prior to 2004, SYD Road was a Constraint to Oil and Gas Development in BC's Far Northeast

- What was needed for year round access?
- A new bypass and major bridge
- Road widening and improvements
- Upgrades to other existing bridges
- Ongoing maintenance to specified standards
- Safety enhancements





## Options Considered for SYD Road

- Full Private Sector Delivery and Full Public Sector Delivery were considered
- P3 Model Selected as it achieved all key objectives
  - No Direct Cost to Taxpayer
  - Transfer Project Risk to Private Partner
  - Allow Direct Involvement by Road Users
  - Maintain Free Public Access





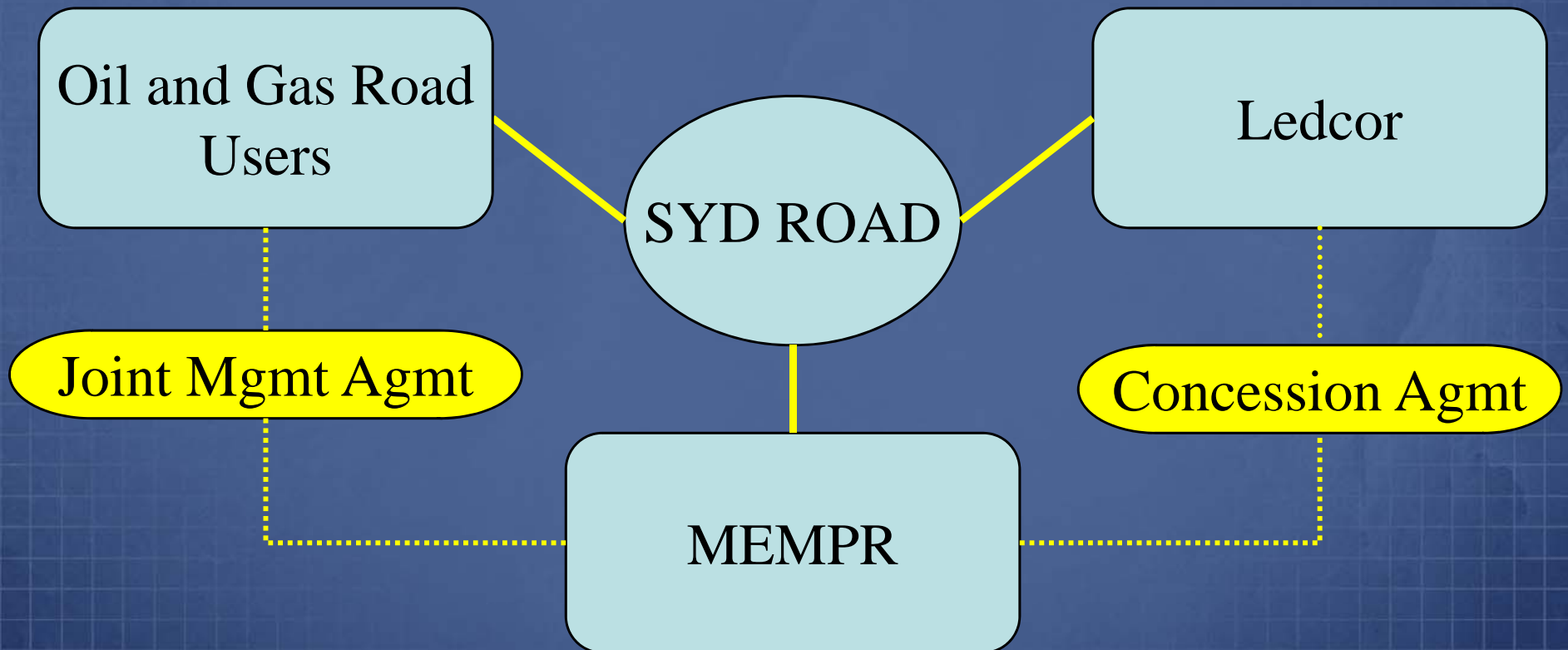
## Sierra Yoyo Desan Road P3 Arrangement Highlights

- SYD Concession Agreement, 16 year term with Ledcor to improve and maintain the road.
- SYD Joint Management Agreement between Government and Industry Road Users.
- Road Users (Oil and Gas Producers) pay road tolls of ~\$9 million per year to cover new capital and ongoing maintenance.





# Sierra Yoyo Desan Road P3 Structure





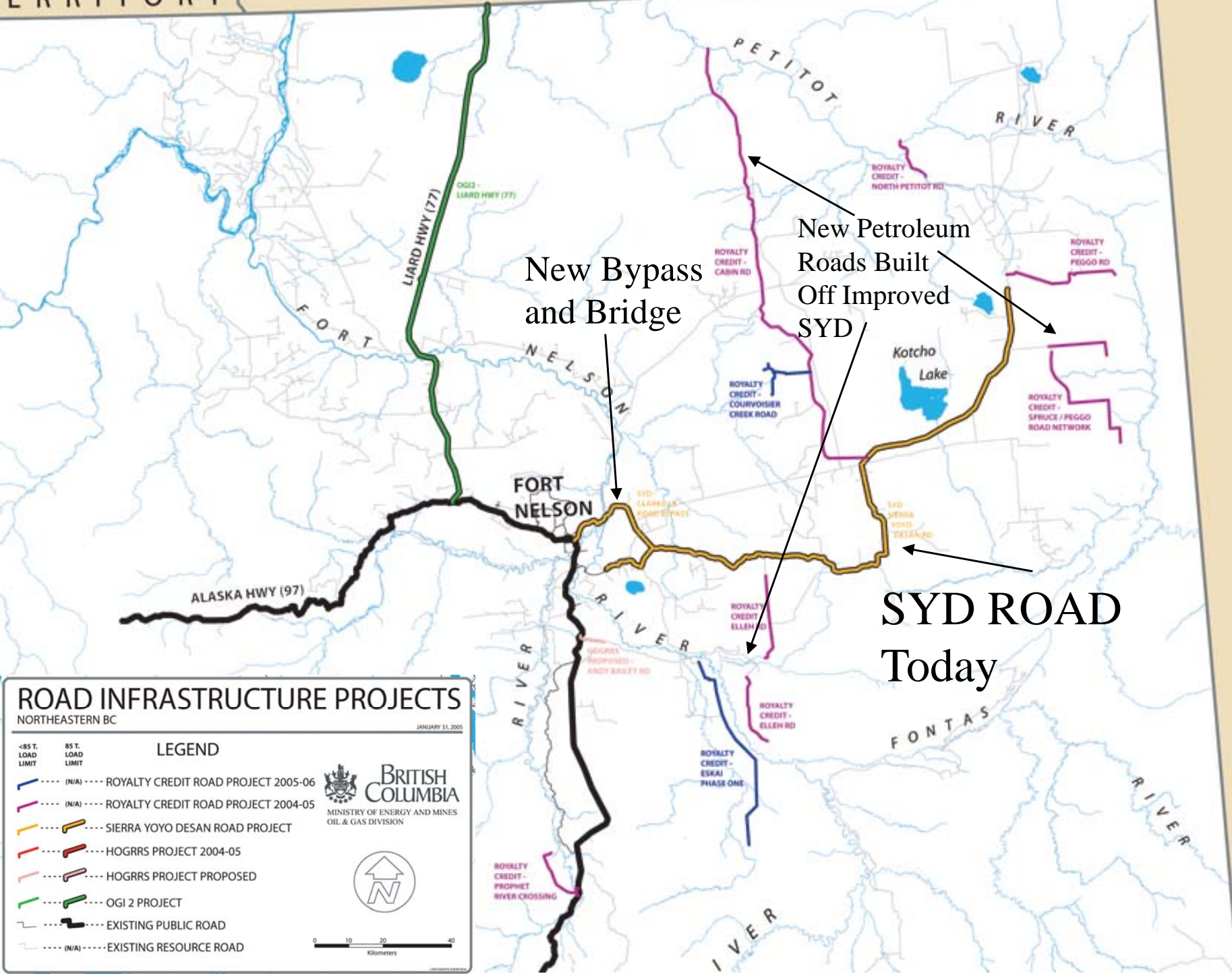


## Sierra Yoyo Desan Road Financing of Capital Upgrades

- Ledcor constructed and financed the \$40 million in new construction.
- Ministry reimburses Ledcor over the term of the road concession through fees collected from industrial road users.
- Province contributes through a 50% royalty credit on road user tolls paid.

UKON  
ERRITORY

NORTHWEST TERRITORY



New Bypass  
and Bridge

New Petroleum  
Roads Built  
Off Improved  
SYD

SYD ROAD  
Today

### ROAD INFRASTRUCTURE PROJECTS

NORTHEASTERN BC

JANUARY 31, 2005

**LEGEND**

	<85 T. LOAD LIMIT	ROYALTY CREDIT ROAD PROJECT 2005-06
	85 T. LOAD LIMIT	ROYALTY CREDIT ROAD PROJECT 2004-05
		SIERRA YOYO DESAN ROAD PROJECT
		HOGRRS PROJECT 2004-05
		HOGRRS PROJECT PROPOSED
		OGI 2 PROJECT
		EXISTING PUBLIC ROAD
		EXISTING RESOURCE ROAD

**BRITISH COLUMBIA**  
MINISTRY OF ENERGY AND MINES  
OIL & GAS DIVISION

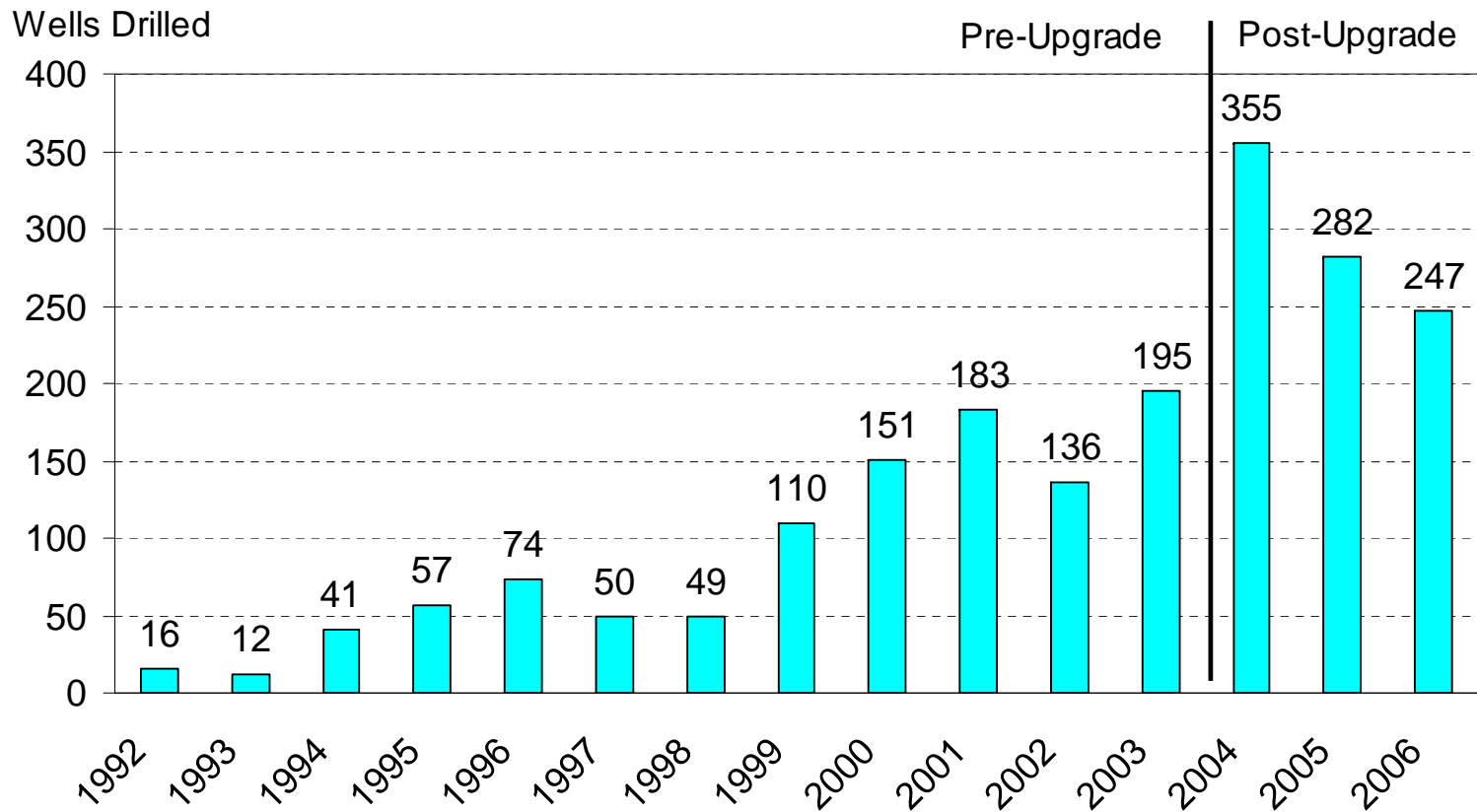
0 10 20 40  
Kilometers





# Sierra Yoyo Desan Road Upgrade has Provided Lift to Drilling

## Oil and Gas Drilling Activity off the SYD Road



# New P3 Bridge Across Fort Nelson River









# First Drill Rig Move Across Fort Nelson River on the new P3 Bridge – October 2004



31 11:09





# SYD P3 Project Awards and Nominations

- **Winning Recipient of the Gold Award for Project Financing from Canadian Council for Public Private Partnerships in November 2004**
- **Finalist for Best Global Project to Sign Award 2007 from UK's Public Private Finance Awards**





## Contact Information

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